

**187—18.4(17A,535B) Individual registration requirements.**

**18.4(1)** A natural person who applies for individual registration pursuant to Iowa Code section 535B.4A to act as a mortgage banker or mortgage broker in this state shall apply with the administrator on forms provided by the administrator. The administrator may consider an application withdrawn if it does not contain all of the information required and the information is not submitted to the administrator within 30 days after the administrator requests the information.

**18.4(2)** Prior to applying for an individual registration, an applicant must complete, within the 30 months immediately preceding the date of application, at least 20 hours of education approved by the administrator or the NMLS&R, which shall include at least:

- a.* Three hours of federal law and regulations;
- b.* Three hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and
- c.* Two hours of training related to lending standards for the nontraditional mortgage product marketplace.

**18.4(3)** Prior to applying for an individual registration, an applicant must pass a written test designated by the administrator. Initially, the administrator shall negotiate an agreement with a testing service relating to examination development and administration. Once a nationwide test is available, the qualified written test (developed by the NMLS&R and administered by a provider approved by the NMLS&R, in accordance with the standards established under Public Law 110-289, Title V, the S.A.F.E. Mortgage Licensing Act) shall become the designated test. An applicant must achieve a test score of not less than 75 percent correct answers to questions to pass the designated test. An applicant shall register and pay examination fees directly to the testing service. An applicant is also advised that if the applicant takes and passes an examination designated by the administrator before the qualified written test developed by the NMLS&R becomes available, the applicant may be required to take and pass the NMLS&R test at some point in the future to become licensed under the S.A.F.E. Mortgage Licensing Act.

**18.4(4)** The fee for an initial individual registration is \$50, plus the actual cost of obtaining the criminal background check. The fee is not subject to refund.

**18.4(5)** An applicant must submit to a criminal background check.

**18.4(6)** The administrator may deny an application for individual registration for any of the following reasons:

*a.* This state or another state or jurisdiction has denied, suspended, revoked, or refused to renew the applicant's authorization to act as a mortgage banker or mortgage broker or has denied, suspended, revoked or refused to renew a similar license or registration under this state's or the other state's or jurisdiction's law. An agreement made between a person and this state or another state or jurisdiction not to operate as a mortgage banker or mortgage broker shall be considered a denial of that person's authorization to act as a mortgage banker or mortgage broker in that state.

*b.* The applicant has been barred, removed, or prohibited from serving in any capacity in a financial institution by any state or federal regulatory agency including but not limited to the Office of Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, or the U.S. Department of Housing and Urban Development.

*c.* The applicant has been convicted of a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for individual registration; or at any time preceding such date of application if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. For the purposes of this paragraph, "convicted of" includes a guilty plea, deferred judgment, deferred sentence, or other similar finding of guilt by a court of competent jurisdiction.

*d.* The applicant has been convicted of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, or another similar offense, in a court of competent jurisdiction in this state or in any other state, territory or district of the United States, or in any foreign jurisdiction. For the purposes of this paragraph, "convicted of" includes a guilty plea, deferred judgment, deferred sentence, or other similar finding of guilt by a court of competent jurisdiction.

*e.* The applicant has had a professional license of any kind revoked in any state or jurisdiction. An agreement to surrender a license and not to operate in an occupation in which a professional license is required shall be considered a revocation for the purposes of this rule.

*f.* The applicant is under 18 years of age.

*g.* The applicant has made a false statement of material fact on an application for an individual registration or has been otherwise implicated in the submission of a false application.

*h.* The applicant has demonstrated a lack of moral character in a manner that the administrator reasonably believes will impair the applicant's ability to act as a mortgage banker or mortgage broker in full compliance with the public interest and state policies described in Iowa Code chapter 535B.

*i.* The applicant has failed to pay child support and is identified in a certificate of noncompliance from the child support recovery unit of the department of human services according to the procedures in Iowa Code chapter 252J.

*j.* The applicant has failed to pay student loans and is identified in a certificate of noncompliance from the college student aid commission according to the procedures set forth in Iowa Code chapter 261.

*k.* The applicant has failed to pay state debt and is identified in a certificate of noncompliance from the department of revenue according to the procedures set forth in 2008 Iowa Acts, Senate File 2428.

**18.4(7)** As required by Iowa Code section 535B.4A, an individual registrant must be employed by, under contract with, or an exclusive agent of a licensee under Iowa Code section 535B.4. However, the administrator may consider an application for individual registration from a person not currently employed by, under contract with, or an exclusive agent of a licensee. If the administrator determines that the applicant is otherwise eligible for individual registration, the administrator shall approve the registration in "unattached" status.

**18.4(8)** An individual registration expires on the next December 31 after approval. However, individual registrations approved on or after November 1 but before January 1 will not expire until December 31 of the following year. For example, an application for individual registration approved on November 17, 2008, would not expire until December 31, 2009.

**18.4(9)** The administrator may issue a temporary individual registration for a period not to exceed 180 days to an applicant who has submitted to a national criminal history check as required by Iowa Code section 535B.4A, pending the results of the national criminal history check. The temporary individual registration issued pursuant to this subrule is subject to the expiration and renewal requirements of subrule 18.4(8) and rule 187—18.5(17A,535B). If compliant with the aforementioned expiration and renewal requirements, the temporary individual registration issued pursuant to this subrule is valid until such time as the individual registration is issued, the temporary individual registration is renewed, or the temporary individual registration expires or is revoked. The administrator may revoke the temporary individual registration at any time prior to issuing an individual registration if the results of the national criminal history check reveal information that would be grounds for the administrator to deny an application for an individual registration or if an applicant fails to resubmit to the national criminal history check within 30 days of notice from the administrator to do so.